



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

P.O. Box 712

Trenton, NJ 08625-0712

Telephone 1-800-356-1561

JON S. CORZINE
Governor

JENNIFER VELEZ
Commissioner

JOHN R. GUHL
Director

MEDICAID COMMUNICATION: 09-12 DATE: August 27, 2009

TO: County Welfare Agency (CWA) Directors
Institutional Services Section (ISS) Area Supervisors
Medical Assistance Customer Centers
CWA Hospice Liaisons

SUBJECT: Hospice Nursing Facility Room and Board Reimbursement for
Medically Needy Clients

This communication is to clarify the extension of Medicaid hospice to certain Medically Needy (MN) clients as discussed at previous Medicaid Supervisors' meetings. Effective June 17, 2008, the Centers for Medicare and Medicaid Services (CMS) issued authorization to extend the Medicaid hospice room and board benefit to eligible Medically Needy clients who elect the Medicare hospice benefit while residing in a Medicaid approved Nursing Facility. This change occurred through a Medicaid State Plan Amendment.

Background:

Upon election of the Medicare hospice benefit, prior policy dictated that reimbursement payments by Medicaid for room and board to the Nursing Facility (NF) be discontinued. CMS's authorization now permits payments for NF room and board services for dual eligible clients (those enrolled in Medicare and determined as MN Medicaid eligible by the CWAs) to be reimbursable to the hospice provider at 95% of the approved NF rate. As with the Medicaid fee-for-service program, MN clients electing the hospice program will be required to contribute towards NF expenses from the client's available income. It remains crucial that post-eligibility available income be determined and a completed PR-1 be processed and on file for these clients. MN clients as well as their hospice (SPC 15) eligibility will be subject to the MN 6 month redetermination process.

Operational:

Eligibility determinations for MN program applicants will continue to be processed by the CWAs. MN eligibility must exist and the client must be a dually eligible NF resident in order for the hospice room and board benefits to be elected. Please note that it is essential that the clients are eligible and enrolled in Medicare, especially Medicare Part A. Meeting all of the criteria allows hospice benefit claims to be paid through Medicare and the NF room and board claims to be paid through MN after consideration of available income per completed PR-1 forms (Statement of Available Income for Medicaid Payment, formerly PA-3L).

The hospice provider is responsible for confirming MN eligibility and monitoring on-going eligibility in the program through the CWAs. The MN client must have the Hospice Eligibility Form, FD-383 and the Election of Hospice Benefits Statement, FD-378 completed and referred to the CWA responsible for the applicable case(s) by the hospice provider. The date of signature on the FD-378 will initiate the client's eligibility for Medicaid hospice room and board services and the effective date for the required Special Program Code (SPC) 15. For those confirmed to be MN eligible, the CWA will return the completed FD-383 form with a copy of the Special Program screen from the Medicaid eligibility file to the hospice provider as confirmation of the eligibility. The CWA will be responsible for accreting and deleting MN clients who are eligible for hospice services to the Special Program screen of the file, using SPC 15 to designate hospice eligibility. The CWA will also return the completed FD-383 form to the hospice provider when the MN status is ineligible or inconsistent with requested Hospice effective dates. The hospice providers must also continue to notice the CWAs of the effective dates for any changes in hospice status such as death, revocation or termination associated with the hospice election. It is as important that the CWA notice the client and the hospice provider of any eligibility changes resulting from the MN 6 month redeterminations.

Retroactive MN Hospice (SPC 15) eligibility may be determined for up to 3 months but the SPC 15 date cannot be prior to June 17, 2008 as well as not prior to the signature date for the Election of Hospice Benefits Statement (FD-378). The retroactive hospice eligibility (SPC 15) dates must be aligned within the MN eligibility segments.

As you are aware, the Medicaid System previously did not allow input of SPCs for the Medically Needy segments. A new screen option (#34) has been established on OIT (LABCICSZ) to utilize SPC 15 for these dually eligible Medically Needy cases. A communication for the systems instructions is forthcoming as the project is complete and operational.

Should the CWA staff receive provider claim questions for the MN hospice cases, the providers should be referred to contact the DMAHS Office of Reimbursement at 609-588-4693. The Provider Newsletter is attached as an informational resource.

This policy extends hospice room and board coverage to the MN population however, the process for Medicaid Only clients with elected hospice and the associated SPC 15 remain unchanged by this Medicaid State Plan Amendment. Should you have any questions regarding this Medicaid Communication, please contact the Division's Office of Policy field staff assigned to your county at 609-588-2556.

Sincerely,



John R. Guhl
Director

JRG:E
Attachment

c: Jennifer Velez, Commissioner
Department of Human Services

William Ditto, Executive Director
Division of Disability Services

Kevin Martone, Deputy Commissioner
Department of Human Services

Jeanette Page-Hawkins, Director
Division of Family Development

Kenneth W. Ritchey, Assistant Commissioner
Division of Developmental Disabilities

Kimberly S. Ricketts, Commissioner
Department of Children and Families

Heather Howard, J.D., Commissioner
Kathleen M. Mason, Assistant Commissioner
Patricia Polansky, Assistant Commissioner
Department of Health and Senior Services



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health
Services

NEWSLETTER

Volume 18 No. 19

December 2008

TO: Hospice Providers, Nursing Facilities and County Welfare Agencies
(CWA)

SUBJECT: Medicaid State Plan Amendment (SPA) 08-09

DATE: December 15, 2008

EFFECTIVE: June 17, 2008

PURPOSE: This Newsletter is intended to notify hospice providers of Centers for Medicare and Medicaid Services (CMS) approval to extend the Medicaid Hospice room and board benefit to Medically Needy beneficiaries who elect the Medicare hospice benefit while residing in a Medicaid approved Nursing Facility; and to advise of a temporary process for processing claims for Medicaid beneficiaries meeting the benefit requirements.

BACKGROUND: Effective, June 17, 2008, CMS approved the Division of Medical Assistance and Health Services' (DMAHS) Medicaid State Plan Amendment (SPA) 08-09. The SPA 08-09, extends Medicaid reimbursement for Nursing Facility (NF) hospice room and board services to Medicare beneficiaries who are Medicaid Medically Needy beneficiaries residing in a Medicaid approved Nursing Facility (NF). Be advised that the extension of hospice room and board services is limited to a specific segment of the Medicaid program's Medically Needy population. This service is not an eligible benefit for other Medically Needy beneficiaries. Medicaid will begin reimbursement when a Medicare/Medicaid Medically Needy beneficiary, residing in a Medicaid approved Nursing Facility (NF), elects the Medicare hospice benefit. The election of the Medicare Hospice benefit must be voluntary. A copy of the regulatory section, NJAC 10:53 A-2.5, which outlines the administrative policy for admission and discharge from room and board services in a nursing facility, is attached to this document for your information.

Upon electing the Medicare hospice benefit, reimbursement by Medicaid to the NF will be discontinued; and room and board services for these beneficiaries will be reimbursable to the Hospice provider at 95% of the approved NF rate. The Hospice provider will be responsible for managing the room and board reimbursement to the NF. Reimbursement by Medicaid for Medically Needy beneficiaries residing in a NF, who elect the Medicare hospice benefit, will be limited to the following services: NF room and board, therapeutic leave and NF bed hold days. As with the Medicaid fee-for-service program, Medically Needy beneficiaries electing the hospice program will be required to contribute towards NF room and board expenses, if the beneficiary has available income.

The hospice room and board service is not a Medicare program reimbursable benefit. However, all other claims for reimbursement of hospice services rendered to the Medically Needy beneficiary should be forwarded to Medicare.

ACTION: DMAHS is aggressively preparing for the implementation of policy and systemic changes to accommodate the extension of NF room and board services, therapeutic leave and NF bed hold days to this segment of NJ Medicaid's Medically Needy population. This benefit change will impact the Hospice program's eligibility, enrollment and reimbursement processes. While a permanent procedure is being mapped out to address these matters, DMAHS has devised a manual process for reimbursing hospice provider claims for the above identified services which have been rendered to these beneficiaries on or after the effective date of June 17th. Upon development and implementation of a permanent procedure, DMAHS will circulate a Newsletter summarizing the processes.

Temporarily, reimbursement for the Medically Needy hospice room and board service benefit will be processed as outlined below. The Hospice Provider must submit the following information to the Hospice Program at DMAHS (see addresses below).

- Certification by the attending physician is a requirement for all hospice benefits. The physician must complete the **Physician Certification/Recertification for Hospice Benefits Form FD-385** attesting that hospice services are reasonable and necessary for the patient's terminally ill condition. A copy of the FD-385 should also be a part of the beneficiary's medical record;
- The Hospice provider is responsible for confirming Medically Needy eligibility and monitoring on-going eligibility in the program by contacting the CWA Liaison. The Medically Needy beneficiary must complete the **Hospice Eligibility Form, FD-383** and the **Election of Hospice Benefits Statement, FD-378**. The date of signature on the FD-378 will initiate the beneficiary's eligibility for Medicaid hospice room and board services.
- For HCPCS T2046 (per diem NF room and board); Y6337 (therapeutic leave); and Y6338 (bed hold), please **submit CMS 1500 claims** for dates of service which are on or after June 17, 2008.

All information in **BOLD** letters should be forwarded to the address below for manual processing of claims. Be advised that until the regulation, NJAC 10:53A Hospice Services Manual, is revised to include Medically Needy beneficiaries electing the Medicare hospice benefit as eligible recipients of hospice room and board services, Hospice Providers should use the existing regulation's outlined criteria as a guide for program compliance. All forms and documentation which are required, in accordance with the regulation, to address Hospice Benefit Requirements, Benefit Periods, Financial Eligibility and Medical Eligibility should be kept on file with the Hospice provider. DMAHS reserves the right to request this information for review as needed.

In the interim, Hospice providers are asked to forward their completed Medicaid Hospice Forms and CMS 1500's to the address below (if using a courier service):

NJ Division of Medical Assistance and Health
Services – Office of Reimbursement
7 Quakerbridge Plaza, Room 302
Mercerville, NJ 08619

Attn: Hospice Program – MEDICALLY NEEDY

If the information is sent through the US Postal Service, please use the following address:

NJ Division of Medical Assistance and Health
Services – Office of Reimbursement
PO Box 712
Trenton, NJ 08625

Attn: Hospice Program – MEDICALLY NEEDY

Upon receipt, the claims will be manually processed. Please include a contact person with a telephone number and e-mail address. If DMAHS has questions regarding the submission, the information will be requested of the identified contact. If you have any questions, please contact Marcia Harrison, within the DMAHS – Office of Reimbursement, at 609-588-4693. Please continue with this process until a Newsletter is sent advising of the final procedure for eligibility, enrollment and reimbursement. Thank you in advance for your anticipated cooperation.

Attachment – N.J.A.C. 10:53A-2.5

RETAIN THIS NEWSLETTER FOR YOUR RECORDS

10:53A-2.5 Administrative policy for admission and discharge from room and board services in a nursing facility

(a) If a beneficiary of hospice services is admitted to a nursing facility (NF) from any location, or is changed from nursing facility status to hospice status (while residing in a nursing facility), or is discharged from the hospice or dies, the NF shall submit to the CBOSS and the DHSS field office, a completed Notification from Long-Term Care Facility of Admission or Termination of a Medicaid Patient LTC-2 (Form #9 in the Appendix, incorporated herein by reference) to prompt a change in the beneficiary's status. For SSI beneficiaries, the hospice shall be responsible for notifying the MACC of the beneficiary's death or discharge from the NF by completing FD-383 (Appendix Form #6). The MACC will be responsible for notifying the Social Security Administration of the beneficiary's change in status.

(b) If the beneficiary residing in an NF chooses hospice benefits, the NF shall submit to the fiscal agent, a completed Long Term Care Turnaround Document (TAD) (MCNH-117) (Form #11 in the Appendix herein incorporated by reference) to remove the beneficiary from the Long-Term Care Facility billing system. The

following information shall be placed on the MCNH-117 in the REMARKS column (Field #38 on the bottom):

"DISCHARGED FROM NURSING FACILITY TO HOSPICE"

1. The hospice beneficiary is removed from the Long Term Care Facility billing system effective on the date the Election of Hospice Benefits Statement, FD-378 (Appendix Form #1) is signed. On that date and thereafter, the Medicaid/NJ FamilyCare fiscal agent will directly reimburse the hospice for services rendered to the hospice beneficiary and the NF will no longer be reimbursed for care beginning this date. The hospice shall be responsible for reimbursing the NF for room and board services provided under contract with the hospice.

2. If the beneficiary revokes hospice and returns to NF care, the NF shall complete and submit the Long Term Care Turnaround Document (TAD) (MCNH-117) form to the fiscal agent. The following information shall be placed on the MCNH-117 in the REMARKS column (Field #38 on the bottom):

"ADMITTED TO NURSING FACILITY AND DISCHARGED FROM HOSPICE"

3. The effective date of the change from hospice care to NF care is the date the Revocation of Hospice Benefits, FD-381 (Form #4 in the Appendix incorporated herein by reference) is signed. The NF will be reimbursed for care provided on this date and thereafter, and the hospice will no longer be reimbursed for care beginning on this date.